

How to Use the Demand Response Services Contract

Contract #: FAC68designatedDCAM Contract Duration: 10/08/09 to 10/08/13

MMARS #: FAC68* Options to renew: None

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This contract contains: **Small Business Purchasing Program (SBPP), Supplier Diversity Office SDO Contractors and Environmentally Preferable Products (EPP)**

Last change date: 02/07/13

Contract Summary

This contract is relevant to Eligible Entities that generate electricity onsite from the following sources:

Renewable energy generating sources: photovoltaics (PV); solar thermal-electric energy; wind energy; ocean thermal, wave or tidal energy; fuel cells utilizing renewable fuels; landfill gas; energy generated by certain new hydroelectric facilities, or certain incremental new energy from increased capacity or efficiency improvements at existing hydroelectric facilities; low-emission advanced biomass power conversion technologies using fuels such as wood, by-products or waste from agricultural crops, food or vegetative material, energy crops, algae, biogas, liquid biofuels; marine or hydrokinetic energy; and geothermal energy.

Alternative energy generating sources: combined heat and power (CHP) projects, gasification with capture and permanent sequestration of carbon dioxide, flywheel energy storage, paper-derived fuel sources, or energy efficient steam technology.

Under the Massachusetts Renewable Portfolio Standard (RPS) and Alternative Portfolio Standard (APS) regulations, all retail electricity suppliers must provide a minimum percentage of kilowatt-hours (kWh) sales to end-use customers in Massachusetts from eligible renewable and alternative energy generating sources. As a result, there is a market for energy generated by such sources and Eligible Entities may be able to receive revenue for generating it. Renewable Energy Certificates (RECs) and Alternative Energy Certificates (AECs) are tools used to trade such energy.

This contract has been awarded to one vendor for the following services:

- Qualify facilities with combined heat and power and/or other projects for acceptance in the Massachusetts Renewable and/or Alternative Portfolio Standard.
- Market all attainable Alternative Energy Certificates and Renewable energy certificates from qualified energy sources for sales to buyers, maximizing earnings for

the Eligible Entity.

The Contractor will provide all equipment, devices, data collection, testing and any additional products and/or services necessary to qualify the customer's energy generating assets for RPS and/or APS. Furthermore, the Contractor will compile and submit all necessary documentation required to create and certify all environmental credits as being marketable and maintain all ongoing certifications as required.

Note on the Contract Document Number in Comm-PASS: The Division of Capital Asset Management (DCAM) has recently changed its name to the Division of Capital Asset Management and Maintenance (DCAMM). Please note that the contract document number in Comm-PASS has not changed – it is "FAC68designatedDCAM" with one "M."

Benefits and Cost Savings

- **Revenue Generating Contract** – This contract is designed as a user-friendly way to bring Eligible Entities revenue for generating renewable and alternative energy.
- **No Upfront Cost** – Eligible Entities do not incur any upfront cost for assessing the feasibility of their participation in the program or for qualifying their energy generating sources for RPS and APS. The Contractor is responsible for those costs.

Who Can Use This Contract?

Applicable Procurement Law: MGL c. 7, § 22; c. 30, § 51, § 52; 801 CMR 21.00

Eligible Entities:

01. Cities, towns, districts, counties and other political subdivisions
02. Executive, Legislative and Judicial Branches, including all Eligible Entities and elected offices therein;
03. Independent public authorities, commissions and quasi-public agencies
04. Local public libraries, public school districts and charter schools;
05. Public Hospitals, owned by the Commonwealth;
06. Public institutions of high education
07. Public purchasing cooperatives;
08. Non-profit, UFR-certified organizations that are doing business with the Commonwealth;
09. Other states and territories with no prior approval by the State Purchasing Agent required; and
10. Other entities when designated in writing by the State Purchasing Agent.

Pricing and Purchase Options

Purchase Options: This contract is not associated with any expenditures on the part of the Eligible Entity. The Contractor is paid by taking a percentage of the sale of Renewable Energy Certificates (RECs) and Alternative Energy Certificates (AECs) for energy generated at your facility to buyers.

Eligible Entity Classification for This Contract: For the purpose of this contract, all Eligible Entities are divided into two groups based on their relationship with the Division of Capital Asset Management and Maintenance (DCAMM):

- **DCAMM Controlled**, which includes Executive, Legislative and Judicial Branches, including all Departments and elected offices therein, and public hospitals owned by the Commonwealth. For all those Eligible Entities, DCAMM will serve as the point of contact for establishing initial communication and acceptance of generating assets into the RPS and APS.
- **Non-DCAMM Controlled**, which includes all other Eligible Entities listed (e.g. cities, towns, public schools, etc). Non-DCAMM Controlled Eligible Entities do not need to contact DCAMM. They may engage the Contractor directly and must establish direct payment relationships with the Contractor.

Independent public authorities, commissions and quasi-public agencies and public institutions of higher education have an option to join the DCAMM Controlled group.

Process for Engaging the Contractor: The process starts with DCAMM (or the individual Non-DCAMM Controlled Eligible Entity) requesting that the Contractor examine the feasibility of adding a specific Customer Assets to the DR Program. Once the Contractor and the Eligible Entity determine that it is feasible to enroll the Customer Asset, the parties will agree to a compensation using the best available information at the time of the agreement.

The contractor must successfully enroll the Customer Asset in ISO-NE's demand response program within 60 days of such agreement unless otherwise agreed with the Eligible Entity. DCAMM and other Eligible Entities reserve the right to decline any offer and/or seek additional demand response service providers if doing so is in the best interest of the Commonwealth.

Contract Pricing: For the duration of their enrollment, Eligible Entities will be paid quarterly a percentage of certificate sales made by the Contractor on behalf of the Eligible Entity's energy generating assets qualified under this contract.

The following table lists the percentage of the proceeds from the sales of RECs and AECs that would be paid to the Commonwealth Eligible Entities.

	Less than 5,000 kW	Between 5,000 and 9,999 kW	Between 10,000 and 19,999 kW	Over 20,000 kW
Percentage of APS Payments	85.00%*	85.50%*	86.00%*	86.50%*

Note: Any costs associated with the installation of metering instrumentation will be subtracted from the payments. These costs would only apply to existing facilities where upgrades are required to meet Massachusetts DOER requirements. Typically these costs are a few thousand dollars per facility.

All payments for DCAM Controlled Eligible Entities will be sent to DCAM for deposit into an account specified by the Commonwealth. Payments to Non-DCAM Eligible Entities will be made directly to each Eligible Entity based on their specifications.

Contractor Information

Nexant, Inc.
Contact: Erin Eiley
1805 Old Alabama Road, Suite 315, Roswell, GA
678-954-8156
eriley@nexant.com

Additional Information

Additional Consulting Services Related to RPS and APS

The Contractor may also be engaged on projects related to RPS and APS but not associated with the sale of renewable and alternative energy certificates. In such cases, the Contractor may charge the following rates:

Employee level	Hourly rate
Executive	\$275.00
Manager	\$200.00
Sr Engineer	\$175.00
Engineer	\$160.00
Jr engineer	\$150.00
Accounting	\$125.00
Clerical	\$100.00

Performance and Payment after Contract Expiration

All agreements for Demand Response services entered into by Eligible Entities whose performance and payment time frames extend beyond the duration of this Contract shall remain in effect for performance and payment purposes (limited to the time frame established per each agreement). All such agreements shall be subject to the terms and conditions of this Contract. No written agreement shall extend more than five (5) years beyond the final termination date of this Statewide Contract. No agreements for services under this Contract may be executed after the Contract has expired.

Strategic Sourcing Services Team Members

Dave Lewis – DCAMM
James Freeley – DCAMM
John Rizzon - American Development Institute
Paul Lopes – DOER

Summary of Where to Obtain Important Contract Information

To obtain in depth contract information please go to the [Comm-PASS website](#), click on “Contracts” then search by document number FAC56designatedDCAM to locate the following contract information under the “Forms & Terms” tab:

- **Contract User Guide** – the latest version of this document
- **Request for Response (RFR) FAC68designatedDCAM** – the original solicitation document containing complete service specifications for this contract.
- **Purchase Order Form for Cities and Towns** – a form designed to help Eligible Entities document their service relationships with Contractors.